

CASE 9397: Application of Petrus Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1650 feet from the South line and 2590 feet from the West line (Unit K) of Section 11, Township 17 South, Range 33 East, to test the Queen formation, the NE/4 SW/4 of said Section 11 to be dedicated to said well. Said location is approximately 3.5 miles north-northwest of Buckeye, New Mexico.

CASE 9398: Application of Exxon Corporation for downhole commingling, simultaneous dedication, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Drinkard, Tubb Oil and Gas, and Blinebry Oil and Gas Pools within the wellbore of its N. G. Penrose Wells Nos. 1 and 2 located in Unit B (660' FNL and 1980' FEL) and Unit H (1980' FNL and 660' FEL), respectively, Section 13, Township 22 South, Range 37 East, and to commingle production for the Drinkard, Wantz-Granite Wash, Blinebry Oil and Gas, and Tubb Oil and Gas Pools within the wellbore of its N. G. Penrose Well No. 4 located in Unit A (350' FNL and 660' FEL) of said Section 13. Applicant further seeks to simultaneously dedicate Tubb gas production from the three above-described wells with the N. G. Penrose Well No. 3 located in Unit G (1980' FN and EL) of said Section 13 to the NE/4 of Section 13 forming a standard 160-acre gas spacing and proration unit for said pool. Also the applicant seeks approval for an unorthodox gas well location for said N. G. Penrose Well No. 4 in the Tubb Pool. Said wells are located approximately 4 miles southeast of Eunice, New Mexico.

CASE 9399: Application of Exxon Corporation to amend Division Administrative Order DHC-195, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Administrative Order DHC-195, as amended April 15, 1988, which authorized downhole commingling of production from the Drinkard, Wantz-Granite Wash, and Blinebry Oil and Gas Pools in its N. G. Penrose Well No. 3 located 1980 feet from the North and East lines (Unit G) of Section 13, Township 22 South, Range 37 East, by removing from said order the testing provisions of the Blinebry zone. Said well is located approximately 4 miles southeast of Eunice, New Mexico.

CASE 9353: (Continued from May 25, 1988, Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9400: Application of Wagner and Brown to amend Division Order No. R-4326, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-4326 by expanding the existing disposal interval in its Soldier Hill "AE" State Well No. 1, located 800 feet from the North line and 1800 feet from the West line (Unit C) of Section 23, Township 12 South, Range 32 East (currently disposing into the East Caprock-Devonian Pool from 11,224 feet to 11,234 feet), to include all formations from 6,000 feet to 11,234 feet. Said well is located approximately 8.5 miles south by east of Caprock, New Mexico.

CASE 9401: Application of Northwest Pipeline Corporation for salt water disposal, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water, at a maximum injection pressure in excess of 0.2 psi/ft. of depth to the uppermost perforation, into the Blanco-Mesaverde Pool in the perforated interval from 5360 feet to 5681 feet in its Rosa Unit Well No. 94 located 1650 feet from the South line and 1820 feet from the West line (Unit K) of Section 16, Township 31 North, Range 5 West, which is located approximately 7 miles south of the point common to Colorado, New Mexico, and the western boundary of the Carson National Forest.

CASE 9402: Application of Union Texas Petroleum Corporation for an infill well finding, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to FERC Rule 271.305 of the Natural Gas Policy Act of 1978 and to Rule 16.A.5 of Division Order No. R-5878-B, as amended, showing that its State Com Well No. 1-A located 1028 feet from the North line and 1120 feet from the East line (Unit A) of Section 16, Township 28 North, Range 9 West, Basin-Dakota Pool, is needed to effectively and efficiently drain the existing 320-acre gas spacing and proration unit comprising the E/2 of said Section 16 which could not otherwise be produced by either the existing well or any other such well which has produced from the Basin-Dakota Pool within said unit. This unit is located approximately 4.75 miles southeast by south of Blanco, New Mexico.

CASE 9371: (Continued from May 11, 1988, Examiner Hearing)

Application of Reading & Bates Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 15, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Howard Federal "15" Well No. 43 located at a standard oil well location 1650 feet from the South line and 790 feet from the East line of said Section 15 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and to which the E/2 of said Section 15 is presently dedicated. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is overlaid by the community of Gavilan, New Mexico.

Dockets Nos. 19-88 and 20-88 are tentatively set for June 22 and July 6, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 8, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1988, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9380: (Readvertised) (This case will be continued to June 22, 1988.)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Fork Unit Area comprising 20,775.02 acres, more or less, of State, Federal and Fee lands in portions of Townships 4 and 5 South, Ranges 21 and 22 East. The center of said acreage is approximately 3 1/4 miles west of the intersection of U.S. Highway No. 285 and State Highway No. 20.

CASE 9395: Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 12, Township 13 South, Range 32 East, to test all formations and/or pools to the base of the Mississippian formation, developed on 320-acre spacing, the E/2 of said Section 12 to be dedicated to said well. Said well is approximately 12.75 miles south by east of Caprock, New Mexico.

CASE 9382: (Continued from May 25, 1988, Examiner Hearing)

Application of TXO Production Corp. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phiester State Unit Area comprising 320 acres, more or less, of State lands in the E/2 of Section 36, Township 11 South, Range 37 East. Said unit is located approximately 4.5 miles north of U.S. Highway 380 on County Road 168.

CASE 9383: (Continued from May 25, 1988, Examiner Hearing)

Application of TXO Production Corp. for directional drilling and unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the plugged and abandoned Skelton Oil Company Phillips State Well No. 1 located 2310 feet from the South line and 1650 feet from the East line (Unit J) of Section 36, Township 11 South, Range 37 East, wherein the applicant proposes to deepen and deviate said well to within 50 feet of the following targeted locations (both of which are unorthodox):

1. In the Wolfcamp formation - 2570 feet from the North line and 1604 feet from the East line of said Section 36; and,
2. In the Devonian formation - 2100 feet from the North line and 1550 feet from the East line of said Section 36;

both zones to be dedicated to the SW/4 NE/4 (Unit G) of said Section 36 forming a standard 40-acre oil spacing and proration unit. IN THE ALTERNATIVE, should re-entry into the aforementioned well be found impracticable, the applicant seeks authority to re-enter the temporarily abandoned Apache Corporation Heyco "36" State Well No. 1 located 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 36, wherein the applicant proposes to deepen and deviate said well to within 50 feet of the following targeted locations (both of which are unorthodox):

1. In the Wolfcamp formation - 1890 feet from the North line and 1289 feet from the East line of said Section 36 to be dedicated to the SE/4 NE/4 (Unit H) of said Section 36 forming a standard 40-acre oil spacing and proration unit; and,
2. In the Devonian formation - 2100 feet from the North line and 1550 feet from the East line of said Section 36 to be dedicated to the SW/4 NE/4 (Unit G) of said Section 36 forming a standard 40-acre oil spacing and proration unit.

Said unit is located approximately 4.5 miles north of U.S. Highway 380 on County Road 168.

CASE 9396: Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting the dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico.

CASE 9409: (Readvertised)

Application of Conoco Inc. for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1550 feet from the North line and 2460 feet from the West line (Unit F) of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, to be simultaneously dedicated to the existing 40-acre proration unit consisting of the SE/4 NW/4 of said Section 19 to the above-described well and to its Eaves A. Well No. 4 located 1980 feet from the North line and 1650 feet from the West line of said Section 19. Said unit is approximately 2 miles north of Mile Corner 8 on the Texas/New Mexico State line.

CASE 8822: (Reopened)

In the matter of Case No. 8822 being reopened pursuant to the provisions of Division Order No. R-8188-A, which promulgated temporary special rules and regulations for the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on standard statewide 40-acre proration unit.

CASE 9418: Application of Inexco Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1200 feet from the North line and 500 feet from the West line (Unit D) of Section 17, Township 16 South, Range 36 East, Undesignated West Lovington-Pennsylvanian Pool, the NW/4 NW/4 of said Section 17 to be dedicated to said well. Said location is approximately 2 miles west-northwest of Lovington, New Mexico.

CASE 9387: (Readvertised)

Application of Exxon Corporation for an unorthodox gas well location, downhole commingling, hydrocarbon storage authority, and relief from the reporting requirements of Division General Rule 1131, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Happy Valley-Morrow Gas Pool with the Northeast Sheep Draw-Strawn Gas Pool in the wellbore of its Happy Valley Federal Com Well No. 1 located at a previously approved unorthodox gas well location for the Morrow zone (NSL-2010) 1780 feet from the North line and 1830 feet from the East line (Unit G) of Section 28, Township 22 South, Range 26 East. Applicant further requests approval to utilize the Strawn zone in said well for storage of gas from the Morrow zone and an exemption from the reporting requirements of Division General Rule 1131. Said well is located approximately 1.25 miles northwest by north of the Carlsbad City Dump.

CASE 9389: (Continued from May 25, 1988, Examiner hearing)

Application of Robert N. Enfield for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the NW/4 of Section 29, Township 7 South, Range 31 East, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical limits or the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, both aforementioned units to be dedicated to its E. McCombs Well No. 1 drilled at an unorthodox gas well location (for a 320-acre dedication) 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said units are located approximately 11 miles south by west of Kenna, New Mexico.

CASE 9353: (Continued from June 8, 1988, Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9397: (Readvertised)

Application of Petrus Oil Company, L. P. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1650 feet from the South line and 1310 feet from the West line (Unit L) of Section 11, Township 17 South, Range 33 East, Undesignated Sanmal-Queen Pool, the NW/4 SW/4 of said Section 11 to be dedicated to said well. Said location is approximately 7 miles east of Maljamar, New Mexico.

CASE 9394 (Reopened and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending a certain pool in Chaves County, New Mexico.

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2 NE/4 and NW/4 NE/4